

## OIL AND GAS INVESTMENT BOARD

### MINUTES OF APRIL 15, 2016

The City of Manistee Oil and Gas Investment Board held a regular meeting on Friday, April 15, 2016 in the Second Floor Conference Room, City Hall, 70 Maple Street, Manistee, Michigan 49660. Meeting was called to order by Chair Colleen Kenny at 12:00 p.m.

**MEMBERS PRESENT:** Colleen Kenny, Steve Brower, Ed Bradford, Eric Gustad, Thad Taylor

**MEMBERS ABSENT:** Doug Parkes

**OTHERS PRESENT:** City Attorney George Saylor

#### OLD BUSINESS

None.

#### NEW BUSINESS

*Minutes* - Minutes from the January 15, 2016 meeting were reviewed. **MOTION** by Ed Bradford, second by Eric Gustad to accept the minutes with minor changes by the investment advisor. All in favor - motion carried.

*Investment Advisor Update and Commentary* – Woody Uible was in attendance and Troy Snider participated via conference call and presented the Investment Update as of March 31, 2016. Information in the report included Market Review, Fed Watch, Bonds & Economic Trends, S&P Valuations, Asset Allocation, Fixed Income Characteristics, Equity Sector Allocation, and Portfolio Performance.

Discussed:

- Federal Reserve interest rate increases are hard to forecast this year because of uncertainty in the strength of the US and global economy.
- Global market malaise with low rates of return.
- Companies buying back their own stock instead of investing in capital expenditures.
- Constant battle on the spending rule, something to keep on the radar. Many endowments are reviewing their policies.
- Bartlett staying a little bit on the conservative side; portfolio is widely diversified.
- Energy including coal, gas and oil production and prices.

Aztec Well Update – Finance Director Ed Bradford provided a memo advising that Aztec Producing has shut down operations of both their wells and processing facility in the City due to low oil and gas prices. The City should be receiving a few residual royalty payments, but then they will cease until production is restarted. Wells might be at the end of their useful life unless oil and gas prices recover significantly.

Straight Talk Article – Finance Director Ed Bradford participated in a Manistee News Advocate column series called Straight Talk regarding the history of the Oil and Gas Investment Fund, the board history, and its functions.

#### **PUBLIC COMMENTS**

General discussion on presidential candidates and potential political climate after the election.

#### **ADJOURNMENT / NEXT MEETING**

Next regular meeting is scheduled for Friday, July 15, 2016 at 12 p.m. in the Second Floor Conference Room, City Hall.

**MOTION** to adjourn by Steve Brower, second by Eric Gustad at 1:00 p.m.

Cynthia Lokovich, CAP-OM  
Recording Secretary

- c. Manistee City Council  
Board Members  
Thad N. Taylor, City Manager  
George Saylor, City Attorney